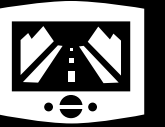




NON PROFITGPS
 HELPING TO KEEP YOU ON THE RIGHT ROAD



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Techimpact.org provides technology resources and services to nonprofits. As the article in this issue, "Hiring Challenges for Nonprofit Organizations" explains, technology is more important to nonprofit organizations than ever before due to staffing challenges and evolution in technology. Tech Impact is a nonprofit with a network of experts who can provide a variety of technology support services, from regular maintenance to implementation of new technologies. They have a technology learning center with a great topic search tool. Enter a key concept, such as "fundraising", and see all the resources that pop-up. Nice job, Tech Impact.



**HEVERON & COMPANY
 WEBSTAR**

This Month's WebStar Winner Is:

Tech Impact

Mission: Tech Impact is a nonprofit whose mission is to ensure all nonprofits can use technology to better serve our world.

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Please Allow Us to Do a Little Bragging!

A Wonderful Recognition

Heveron & Company CPAs was recently recognized as a 2023 New York State Best Company to work for: in fact, we were ranked number two in New York and first in the Upstate region.

Our Philosophy

We believe help and support are not just for clients. Heveron's leadership team has made it clear it is everyone's responsibility to embrace ongoing learning and training. Having more experienced people mentor newer staff is a top priority at our firm. Teamwork makes people feel good about themselves, enhances efficiency and productivity, and builds bonds. Staff reviews are called previews because they focus on building skills for the upcoming year. Heveron takes pride in our staff retention, client retention, and the compliments we receive for our work guiding clients so they avoid pitfalls and barriers to their goals.

Another Accolade

Partner and leader **Stephanie Annunziata** was also recently named to the Rochester Business Journal's "Power 30 in Finance and Insurance."

The people on the "Power 30" list have helped Rochester's accounting and insurance industries innovate as we navigated and then emerged from the COVID pandemic. They kept their clients apprised of new rules and regulations, best practices, opportunities, risks, and more. These leaders have pushed their organizations forward to deal with myriad challenges and have led the way through a period of tremendous uncertainty.



The New York State Charities Bureau Requires Accrual-Based Financial Statements

The instructions for the Charities Bureau have required that audited or reviewed financial statements, submitted with annual filings, be in accordance with generally accepted accounting principles which means, in part, you must report on the accrual basis. This requirement has existed for years but recently the Charities Bureau began aggressively enforcing this requirement. It may be possible to obtain a one-year waiver but our experience found they are not inclined to do so.

If you have been reporting on a basis other than the accrual basis, you should change to the accrual basis, or you risk being noncompliant with the Charities Bureau. It may mean more work, but accrual basis financial statements provide more thorough and useful information about the organization's operations and financial circumstances.



How Much Detail Should Be in Your Statement of Activities?

We have found that generally more detail in your financial statements is not necessarily better.

A concise Statement of Activities can speed the completion and review process, and help those looking at your financial statements focus on the "big picture."

There is not much guidance about what level of detail is proper. However, there is a FASB (accounting standards setter) project for cost disaggregation.



The project is still underway but preliminary conclusions are that at least the following level of detail is needed:

- employee compensation,
- depreciation,
- amortization of intangible assets, and
- inventory expense

These are only four categories (and, you probably do not have inventory expense)! Three categories probably aren't enough but more than 12 are probably too many. Look at your income or activities statement and your statement of functional expenses to determine whether or not you have an appropriate level of detail.



Social Security Administration: Signs of a Scam

The Social Security administration has an annual "Slam the Scam Day" which it uses to increase awareness about scams related to Social Security and our personal information..

Recognize the basic signs of a scam:

- Scammers pretend to be from a familiar organization or agency, like the Social Security Administration. They may email attachments with official-looking logos, seals, signatures, or pictures of employee credentials.
- Scammers mention a problem or a prize. They may say that your Social Security number was involved in a crime or ask for personal information to process a benefit increase.
- Scammers pressure you to act immediately. They may threaten you with arrest or legal action.

Visit www.ssa.gov/scam for more information and follow SSA OIG on Facebook, Twitter, and LinkedIn to stay up to date on the latest scam tactics. Repost #SlamtheScam information on social media to keep your friends and family safe.

Forbes Nonprofit Council Members Share Suggestions for Revitalizing Your Nonprofit

Forbes Nonprofit Council is composed of nonprofit organization founders and senior executives who collaborate to help each other and provide useful information for the nonprofit industry.

Members recently shared suggestions for revitalizing your nonprofit, which are summarized below.

- Organizational changes require time and money, and successful outcomes are not guaranteed, so use care when modifying how the business operates.
 - Refreshing your organization's mission can be an effective use of limited resources. Consider that rather than opting for full-scale overhaul.
 - Regularly reflect on your mission and your outcomes. Determine whether they need to be refreshed. Consult your stakeholders and those you serve as you go through this process.
 - Use listening as a tool to evaluate your mission. Listen to your constituents, partners, staff and board members, and incorporate their feedback about their values for the future of the organization.
 - Analyze the organization's current situation to identify what can be done to accomplish the organization's goals and capabilities. Communicate the updated mission to ensure everyone understands and is on board with it.
 - Assess needs and the community, other resources that are available, and evaluate whether your services and programs serve the needs of those you are committed to serving.
 - Evaluate whether some of your systems and processes are out of date. Help staff look beyond the daily tasks to the mission, and encourage them to share values with support departments like accounting and IT.
 - What can your organization do that no one else can do? This is your true North. Ask how you can use your capabilities to further your mission. Management should share this vision with staff and empower them to advance the vision using principles, not rules.
 - Revenue is a common way of measuring success and capability. Nevertheless your organization should determine how their tangible and intangible resources can be best utilized to contribute to current and future social problems.
 - Rather than focus on the organization, focus on those the organization serves. Gather their input to improve your approach.
- Try to broaden your mission. Consider the strategy of successful organizations. For example, Goodwill not only operates retail stores, but also works to eliminate poverty. A literacy center can be not only a classroom, but also a launch pad to a better life. This type of exercise enhances the imagination about what can be done to better achieve the organization's goals.
 - Organizations need to start with clarity about who their stakeholders are, and what their collective vision is.
 - Sometimes a consultant who is not enmeshed in the organization's operations and history can help expedite this analysis.
 - Incorporate strategic planning, but not like the old days of five or 10-year plans, things change too rapidly these days. Organizations need continuous feedback from stakeholders and a commitment to continuous improvement.
 - Nonprofit leaders need to be aware of trends so that they can see what will be needed in the future.
 - Consistency creates credibility! Rebranding is fine and can draw additional attention to your efforts, but organizations must stay true to their mission.
 - Be open to all outcomes including the possibility that some services or even your organization's purpose are less relevant. It is a very difficult approach to take, but one that will assure you are responsive to circumstances and stakeholders, and it will add credibility to the organization.

If you would like to learn more about Forbes Nonprofit Council or you might want to consider joining the Council, go to <https://councils.forbes.com/forbesnonprofitcouncil>.

Newly Hired Independent Contractors, like Employees, Require New Hire Reporting to New York State

New York encourages the reporting of all independent contractors but requires organizations to report information about independent contractors who they contract with to pay more than \$2,500 annually. Reports should be submitted within 20 days of the contract. Penalties are imposed for non-reporting or incomplete reporting.

Go to "New York New Hire" to report newly hired employees and newly contracted independent contractors. If you have not been reporting new employees to New York State, your payroll service bureau may be doing that for you. It's a good idea to check with them to be sure that your new hires are being reported. They most likely do not report your independent contractors, but if your payment processor facilitates payments to contractors, they may be doing so already and you should check with them.